



Oregon

Theodore R. Kulongoski, Governor

Oregon Health Authority

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August 26, 2010

The Honorable Ron Wyden
United States Senator
223 Dirksen Senate Office Building
Washington, DC 20510-3703

Dear Senator Wyden:

Thank you for your letter dated August 24 and for our recent discussions regarding health reform in Oregon.

I greatly appreciate your leadership and support of our efforts to make health care more affordable, reliable, and available for Oregonians. As we work to develop our health insurance exchange, it is our belief that to make health insurance available to more Oregonians will require more affordable health insurance products and changes within the health care delivery system that better support clinicians' ability to deliver high quality cost effective care.

I strongly support your legislative efforts to move the effective date of the waiver provision to 2014 and allow states to apply as soon as possible. Accelerating Section 1332 to 2014 will allow us to further build upon the early implementation of an exchange and hasten our ability to implement our own approach to health care reform. Requiring the Secretary of Health and Human Services to start reviewing state waiver applications expeditiously, prior to 2014, would provide Oregon and other states adequate time to pursue unique health care plans that will meet their own residents' needs.

Improving the value of our health care expenditures and making health care more affordable is a key goal of our newly formed Oregon Health Policy Board and Oregon Health Authority. This is consistent with the Patient Protection and Affordable Care Act, which looks to states to be creative in developing strategies to lower costs and improve the health of their populations.

To that end, we are currently working on a value based benefit package for our health insurance exchange and the type of health care delivery system reforms to do just that. One of the keys to a successful insurance exchange or any market

place will be the availability of affordable products. In fact, our work with low- and middle-income families in Oregon's Kid Connect program (subsidized commercial insurance for children) shows that families will purchase affordable policies.

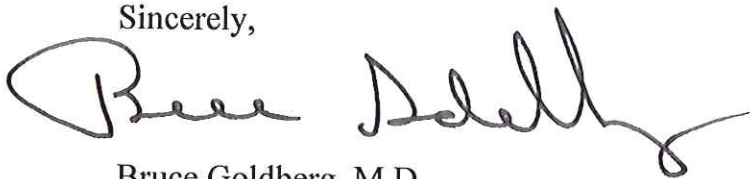
As you know, Oregon began planning for a health insurance exchange about a year ago. Given the work we have done to date, I believe we are in the position to begin piloting an exchange relatively quickly. In fact, with insurance exchanges as the centerpiece of national health reform, I believe it would be most beneficial to the nation and Federal agencies for a state of the size and demographics of Oregon to go early with an exchange. This would allow us to test a variety of the systems and policies that will be necessary for national success and for other states to learn from.

Furthermore, we are very interested in exploring the opportunities that Section 10108 and "free choice vouchers" offer in both providing more choice for Oregonians and in enhancing the size of an exchange, once it is up and running in 2014. This, combined with federal approval of an affordable benefits package, support for infrastructure and necessary waivers, and the flexibility and support in other federal programs, should provide Oregon the ability to move quickly in implementing health reform.

I will be in touch with your staff to outline the specific issues we will need to address to quickly implement Oregon's own health reform plan.

Your leadership has helped create many opportunities to improve health and well-being. I look forward to working with you to implement them here in Oregon.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Goldberg", with a large, stylized initial "B" and a long, sweeping underline.

Bruce Goldberg, M.D.
Director, Department of Human Services
Director-designee, Oregon Health Authority